GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3733
ANSWERED ON:09.08.2016
Price of Sugar
Sawaikar Shri Advocate Narendra Keshav

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the demand and supply gap of sugar is increasing leading to rise in price of sugar in the domestic market;
(b) if so, the details thereof and the steps taken by the Government to contain the price of sugar in the country;
(c) whether it is a fact that the country''s sugar production is projected to decline over the next two years;
(d) if so, the details thereof and the reasons therefor; and
(e) the steps proposed by the Government to check the declining trend of sugar production in the country?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a) & (b): The price of sugar in domestic market depends upon various factors including demand, supply, production, prices in the international market and market sentiments etc. With the opening stock of 90 Lac MT and estimated production of 252 Lac MT, the availability of sugar in the current sugar season is sufficient to meet estimated demand of 255 Lac MT. However, in order to keep a check on rise in price of sugar, the Central Government has imposed stock holding and turnover limits on sugar. Further, Government has imposed custom duty @ 20% on export of sugar to conserve stocks in the country and ensure its availability.
(c) & (d): Due to drought in the States of Maharashtra and Karnataka, there is possibility of decrease in sugar production in the country during ensuing sugar season 2016-17 as compared to estimated production of 252 Lac MT in current sugar season, It is too early to estimate the sugar production for sugar season 2017-18 at this stage.
(e): Sugar production during a particular sugar season depends upon area under sugarcane cultivation, yield, drawal of cane for crushing by the mills and recovery of sugar, efficiency of the Plant and Management etc. The Central Government is providing loans at concessional rates to sugar mills for modernization cum expansion of the existing Plant and cane development etc.
****